Supreme Court, U. S.
FILED
AUG 25 1978
MICHAEL RODAK, JR., CLERK

IN THE

SUPREME COURT OF THE UNITED STATES

77-1837

October Term, 1977

AVANT INCORPORATED,

Petitioner,

v.

POLAROID CORPORATION,

Respondent.

REPLY OF AVANT INCORPORATED TO THE OPPOSITION BY POLAROID TO AVANT'S PETITION FOR CERTIORARI TO THE U. S. COURT OF APPEALS FOR THE FIRST CIRCUIT

Counsel of Record:

George E. Kersey, Esq.
Allerton Road
Annandale, NJ 08801

IN THE

SUPREME COURT OF THE UNITED STATES

October Term, 1977

AVANT INCORPORATED,

Petitioner,

v.

POLAROID CORPORATION,

Respondent.

REPLY OF AVANT INCORPORATED TO THE OPPOSITION BY POLAROID TO AVANT'S PETITION FOR CERTIORARI TO THE U. S. COURT OF APPEALS FOR THE FIRST CIRCUIT

Counsel of Record:

George E. Kersey, Esq.
Allerton Road
Annandale, NJ 08801

INDEX

Page

REPLY POINT I-A [to Opp. Brief, p. 19]:

THE COURTS BELOW HAVE MADE AND APPLIED AN IMPROPER ANALYSIS OF "SYNERGY" WHICH HAS PREJUDICED PLAINTIFF 1

REPLY POINT I-B [to Opp. Brief, p. 1]:

POLAROID TO THE CONTRARY, THERE IS A CLEAR CONFLICT OF DECISIONS . 4

REPLY POINT I-C [to Opp. Brief, p. 5]:

POLAROID TO THE CONTRARY, SIMPLICITY IN THE CIRCUMSTANCES OF THE PRESENT CASE MAKES A PRIMA FACIE CASE OF NON-OBVIOUSNESS . . 4

REPLY POINT I-D [to Opp. Brief, p. 4]:

POLAROID TO THE CONTRARY, THE COURTS BELOW HAVE MADE A GROSSLY INCORRECT EQUIVALENCE BETWEEN HEAT LAMINATION AND PRESSURE LAMINATION THAT CAN ONLY BE ATTRIBUTED TO A FAILURE TO GRASP THE TECHNICAL SUBJECT MATTER BEFORE THEM 5

REPLY POINT I-E [to Opp. Brief, p. 6]:

POLAROID TO THE CONTRARY, THE INVENTION IS EMBODIED IN A LANDMARK PATENT 6

Page

REPLY POINT I-F [to Opp. Brief, p. 15]:

POLAROID'S "UNIMPEACHABLE PROPOSITION" ON LINEARITY IS COMPLELETY FALSE IN THE CONTEXT OF THE PRESENT INVENTION 8

REPLY POINT I-G [to Opp. Brief, p. 13]:

THE SECRET REFERENCE DUNN APPEARS TO BE ACKNOWLEDGED AS BEING OF DOUBTFUL VALUE TO POLAROID . . . 9

REPLY POINT I-H [to Opp. Brief, p. 17]:

POLAROID TO THE CONTRARY, THERE IS NO TEACHING OF CONGRUENT HEAT-ACTIVATED ENVELOPES IN THE PRIOR ART 9

REPLY POINT II-A [to Opp. Brief, pp. 26 & 10]:

POLAROID TO THE CONTRARY, THE FUNDAMENTAL PROCEDURAL ERRORS WERE RAISED BELOW, AND THE OTHER CUMULATIVE ERRORS ARE PROPERLY BEFORE THIS COURT 10

REPLY POINT II-B [to Opp. Brief, p. 26]:

THE FAULTY BASIS FOR THE POLAROID POSITION IS UNDERSCORED BY THEIR ATTEMPT TO CAPITALIZE ON A TYPOGRAPHICAL ERROR 11

Page

REPLY POINT II-C [to Opp. Brief, p. 25 to p. 26]:

POLAROID TO THE CONTRARY, THE "HAZELTINE" RULE IS IMPROPER . . 12

REPLY POINT II-D [to Opp. Brief, p. 26]:

THE PROPRIETY OF THE RULE 36 ADMISSIONS 12

CONCLUSION 13

APPENDIX A:

PARTIAL REPRODUCTION OF EXHIBIT P-2A-7 (LAPHAM'S PLATEN PRESS OPERATING AND SERVICE INSTRUCTION BOOK) 14

APPENDIX B:

PAGE 1 OF MOULDER U. S. PATENT NO. 2,294,796 15

REPLY OF AVANT INCORPORATED TO THE OPPOSITION BY POLAROID TO AVANT'S PETITION FOR CERTIORARI TO THE U. S. COURT OF APPEALS FOR THE FIRST CIRCUIT

Polaroid characterizes this as an ordinary patent case which does not warrant a review by this Court on the merits. To the contrary, this is a case in which a litigant has been deprived of a fair trial and the Courts below have displayed a complete failure to grasp the case and have enunciated unfounded theories of law which are completely without precedent. Such a case warrants review by this Court.

This reply will deal, in the first place, with the improper analysis of "synergy" by the Trial Court and the improper approval of that analysis by the Court of Appeals and will then deal, in a point-by-point rebuttal, with Polaroid's other arguments.

REPLY POINT I-A [to Opp. Brief, p. 19]

THE COURTS BELOW HAVE MADE AND APPLIED AN IMPROPER ANALYSIS OF "SYNERGY" WHICH HAS PREJUDICED PLAINTIFF

The five cases cited by Polaroid on page 19 of their Brief in Opposition completely fail to support their proposition that "A combination of old elements, whether embodied in a machine or a process, may not be patented if the combination does not produce a synergistic result." This is eloquently demonstrated by the analysis made by Judge Giles S. Rich,

Court of Customs and Patent Appeals, before the American Patent Law Association in Rochester, New York, in May, 1978:

"Most Patentable Inventions Are Combinations

"I deplore the quotation from A & P about the improbability of combinations of old elements being patentable inventions, of course, because practically all patentable inventions are combinations of old elements, as I expect the Supreme Court to acknowledge publicly some day because I believe it already recognizes that irrefutable fact. After all, it was just that which it held patentable in United States v. Adams, given the evidence to show unobviousness.

"Far from being an improbable place to find patentability, the new and unobvious combination is the usual place for finding it. This is a truism to any patent examiner or patent lawyer, but the Supreme Court hears patent cases so seldom as not to know it. Consider the telling sentence opening the opinion in Graham: 'After a lapse of 15 years the Court again focuses its attention on the patentability of inventions * * *.' That last focus was in A & P, decided almost two years before the effective date of the new patent act and its new section 103.

"The real flaw in the Supreme Court's opinion in Ag Pro is its apparently unthinking adherence to the outworn and unhelpful A & P requirement for 'invention,' after telling the world in Graham that Congress has 'emphasized 'non-obviousness' as the operative test,' which is 'the new statutory formulation to be approached by the three-step factual inquiry Graham dictates, 'strict observance' of which 'will result in that uniformity and definitiveness which Congress called for.' How can the Court expect the Patent and Trademark Office and the lower courts to follow its Graham directive that their inquiry as to patentability 'must be beamed with greater intensity on the requirements of § 103' when it illogically reverts, as it seems to do at the end of the Ag Pro opinion, to the antequated A & P 'invention' standard? Reason and logic cannot have it both ways.

"No Synergism Required by Ag Pro

"But the point I want to come to is: Did Ag Pro say or hold that synergism or a synergistic effect is essential to patentability? The answer is clearly 'No'.

"The Ag Pro Supreme Court was not responsible for injecting the notion of synergism into the case. It got it from the 5th Circuit of Appeals opinion, which in turn got it from an opinion in another 5th Circuit opinion

which got it from Black Rock. The lower court had said that Ag Pro's invention 'does achieve a synergistic result' and the Supreme Court said 'We cannot agree that the combination . . . can properly be characterized as synergistic, that is result(ing) in an effect greater than the sum of the several effects taken separately.' That is all it said. It simply expressed disagreement with the lower court's view that there was a synergistic result. It did not say there must be one."

REPLY POINT I-B [to Opp. Brief, p. 1]

POLAROID TO THE CONTRARY,
THERE IS A CLEAR CONFLICT OF DECISIONS

There is an evident conflict between the decision of the First District Court of Appeals and those decisions of the other Courts of Appeals regarding the requirements for patentability. This has been previously set forth in detail in Avant's Petition to this Court in Question #2. (NEW REQUIREMENT OF TOLERANCES) and in Question #3. (IMPROPER REQUIREMENT OF SUBJECTIVE CRITERIA).

REPLY POINT I-C [to Opp. Brief, p. 5]

POLAROID TO THE CONTRARY,
SIMPLICITY IN THE CIRCUMSTANCES OF THE PRESENT CASE MAKES A PRIMA FACIE CASE OF NON-OBVIOUSNESS

Polaroid succeeded in confusing the Courts below into equating simplicity with obviousness. Copernicus correctly postulated that the earth rotates around the sun, not vice versa. His explanation was simple, but it was not obvious.

In the case of the present invention, given its alleged simplicity, if in fact it were obvious, it would have been realized in the 30's, when the need for it arose, and Polaroid would not have found it necessary, as evidenced fully by the Record, to resort to a wide variety of other techniques before finally deciding in the late 60's to copy the invention after all of its other efforts had failed.

REPLY POINT I-D [to Opp. Brief, p. 4]

POLAROID TO THE CONTRARY, THE COURTS BELOW HAVE MADE A GROSSLY INCORRECT EQUIVALENCE BETWEEN HEAT LAMINATION AND PRESSURE LAMINATION THAT CAN ONLY BE ATTRIBUTED TO A FAILURE TO GRASP THE TECHNICAL SUBJECT MATTER BEFORE THEM

Laminating by heat and pressure without die-cutting as shown by the patent drawing and as taught in the claims of U. S. Patent No. 3,679,512, are not old. It is not proper to equate "heat" or "pressure," since lamination by pressure alone fails to produce a secure and tamperproof I.D. card, as Polaroid admits in its Rule 36 Admissions as follows:

"70. That the finished product could be at least partially delaminated by exposure to solvents (for example, gasoline).

"Response. Interpreting the request as relating to nondestructive delamination at the pressure-sensitive adhesive interface by exposure to some solvent, admits; otherwise, denies.

"71. That the finished product could be completely delaminated by exposure to solvents (for example, gasoline).

"Response. Same response as to Request 70."

REPLY POINT I-E [to Opp. Brief, p. 6]

POLAROID TO THE CONTRARY, THE INVENTION IS EMBODIED IN A LANDMARK PATENT

The Avant chip-bonding process did not attain "merely . . . a measure of success," it revolutionized the industry. Data submitted by Polaroid shows that during the first year after introduction by them (1971), chip-bonding was eleven times more successful in sales than their highly promoted pressure-sensitive laminating system called "Dual Bond" (introduced c1969), which is similar to the Dunn patent.

Furthermore in response No. 230 to Avant's Rule 36 Request for Admissions, Polaroid responded as follows:

"230. That normally after lamination of the inner card to the pouch, that the pouch is not subsequently placed in a die-cutter to further die-cut the laminated product.

"Response. Admits."*

Polaroid succeeded in confusing the lower courts as to the difference between commercial acceptability of slight adhesive ooze that doesn't require subsequent die-cutting and free-flow of plastic lamination into irregular unsightly edges, as shown in Avant's brief to the First Circuit Court of Appeals, page 20A, again reproduced in Appendix A.

This shows free-flowing ooze as against slight edge flash. As can be seen from Polaroid's Admission number 230 above, slight "flash" or ooze of adhesive is commercially acceptable and eliminates die-cutting, whereas free-flow oozing of the base plastic into irregular forms and wavy edges absolutely mandates post-lamination die-cutting of I.D. cards (unless a "molding" technique is used vis-a-vis "laminating"--which Polaroid does use in its "PolaPress" process to prevent the need for edge trim--see Question #8 [FAILURE TO GRASP TECHNICAL SUBJECT MATTER]).

---

*The entire 336 Rule 36 Admissions were not admitted into evidence--see Question #11 (DEPRIVATION OF FAIR PROCEDURE) and page 12 of this Reply.

REPLY POINT I-F [to Opp. Brief, p. 15]

POLAROID'S "UNIMPEACHABLE PROPOSITION" ON LINEARITY IS COMPLETELY FALSE IN THE CONTEXT OF THE PRESENT INVENTION

Polaroid posited the Court of Appeals as espousing ". . . the obvious proposition that if one wants even edges one might logically start with even edges id at 891 (52a, 53b), an unimpeachable proposition established in the record practiced in the past, and fully in accord with common experience and straightforward logic."

When laminating under heat and pressure the above statement is false and reveals a failure to grasp the technical subject matter (Avant Question #8). It was graphically shown in this action how straight edges oozed into crooked and irregular edges in the Lapham laminating Instruction Book reproduced on page 14 of this reply. This phenomenon of straight edges laminating into crooked ones was exactly duplicated at the trial.

Furthermore, the Moulder patent (U. S. 2,294,796) cited as a reference by the U. S. Patent Office in the patent in suit (cited in Polaroid's reply brief page 31r) is based upon the principle that uneven edges before heat lamination become relatively even after lamination. (See Appendix B.)

This is why the subject invention's elimination of heat (high security) post-lamination die-cut trimming through

congruency produces such a non-obvious result, and why it has been so universally copied.

REPLY POINT I-G [to Opp. Brief, p. 13]

THE SECRET REFERENCE DUNN APPEARS TO BE ACKNOWLEDGED AS BEING OF DOUBTFUL VALUE TO POLAROID

The secret reference Dunn relied upon by the Courts below ". . .refers to a well-known prior art use of machine lamination involving heat" in a negative fashion by teaching away from the use of machines and high security. This may be why the first submission of brief in opposition by Polaroid included a page from the Dunn patent (page 32r), whereas the second version submitted to us omitted Dunn entirely. Polaroid's letter of transmission of the second brief version (received by Petitioner July 26, 1978) pointedly mentions the elimination of Dunn from its brief submitted to the Supreme Court by stating:

> "Your office was inadvertently served with three copies containing an extra page in the appendix, which page was not included in the copies filed with the Court."

REPLY POINT I-H [to Opp. Brief, P. 17]

POLAROID TO THE CONTRARY, THERE IS NO TEACHING OF CONGRUENT HEAT-ACTIVATED ENVELOPES IN THE PRIOR ART

Neither court below found that there were congruent heat-activated envelopes in the prior art. Both courts talk loosely about "roughly congruent plastic sheets." (Court of Appeals Opinion page 3, page 51 Avant Petition.) At no point during the trial or the briefs were congruent platen pouches shown. Both courts saw hundreds of congruent Avant chips and several Polaroid chips made that were congruent. At trial the detrimental effects of "roughly congruent", i.e., non-congruent, were graphically demonstrated before the judges versus the beneficial effects of congruency by actually laminating platen pouches and Avant chips on a c1963 platen press (Exhibits P-2 0 v. P-13, respectively). The non-congruent platen pouches oozed irregularly at least 1/4" to 1/2", which would have required post-lamination die-cutting or trimming. The Avant chips in the same machine, operated by Polaroid's own attorneys, produced perfectly saleable I.D. cards with minimal and even adhesive ooze or "flash" of no more than 1/64", which rapidly wears or peels off. Polaroid's Admission No. 220 to Avant's Rule 36 requests establishes that Polaroid has never required post-lamination die-cutting on any of its tens of millions of "PolaSeal" pouches, or chips, which are the subject of this infringement suit.

REPLY POINT II-A [to Opp. Brief, pp. 26 & 10]

POLAROID TO THE CONTRARY, THE FUNDAMENTAL PROCEDURAL ERRORS WERE RAISED BELOW, AND THE OTHER CUMULATIVE ERRORS ARE PROPERLY BEFORE THIS COURT

The matter of the missing portions of the trial record most favorable to Avant (Question #1.b.) and the lower court's arbitrary exclusion of Rule 36 Admissions by Polaroid (Question #11) were vigorously raised before the Court of Appeals.

Avant acknowledges that it would have been better had the actions of the trial judge in depriving it of a fair trial been brought to the attention of the Court of Appeals. However, it would appear that in view of the summary and arbitrary fashion that the Court of Appeals dismissed, without explanation, Avant's contentions regarding the Rule 36 Admissions that the other errors in procedure and deprivation of a fair trial would also have been summarily rejected by the Court of Appeals.

Moreover, although any one deprivation or any one procedural regulation taken by itself might not constitute a sufficient basis for an award of a new trial, Petitioner submits that the cumulative effect of a large number of procedural errors and deprivations do present, in justice, a case for a new trial.

REPLY POINT II-B [to Opp. Brief, p. 26]

THE FAULTY BASIS FOR THE POLAROID POSITION IS UNDERSCORED BY THEIR ATTEMPT TO CAPITALIZE ON A TYPOGRAPHICAL ERROR

Page 27 of Avant's Petition has a typographical error. The final sentence should read, "Their exclusion in the fact

of these circumstances is inconsistent with 'substantial justice' and does not constitute 'Harmless Error' under Rule 61 of the Federal Rules of Civil Procedure (Appendix E)."

REPLY POINT II-C [to Opp. Brief, p. 25 to p. 26]

POLAROID TO THE CONTRARY, THE "HAZELTINE" RULE IS IMPROPER

Polaroid correctly states that the Hazeltine rule is the present principle of patent law with respect to patent application disclosures. We submit that this rule is inconsistent with justice and common sense and should be overturned. We are not Medes and Persians.

REPLY POINT II-D [to Opp. Brief, p. 26]

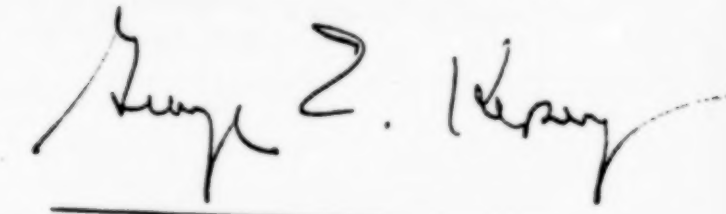
THE PROPRIETY OF THE RULE 36 ADMISSIONS

Essentially all the Rule 36 Request for Admissions by Avant were in the form of 336 questions filed with Polaroid on April 26, 1973, and answered by them within 60 days. Where Polaroid says ". . .that many of the Rule 36 materials in question were served on Polaroid on the eve of trial. . ." they are referring to minor items. The Rule 36 Admissions that were substantively vital to Avant and which we strenuously object to being excluded were served on Polaroid on April 26, 1973, 38 months before trial.

CONCLUSION

The Writ of Certiorari should be granted in all respects.

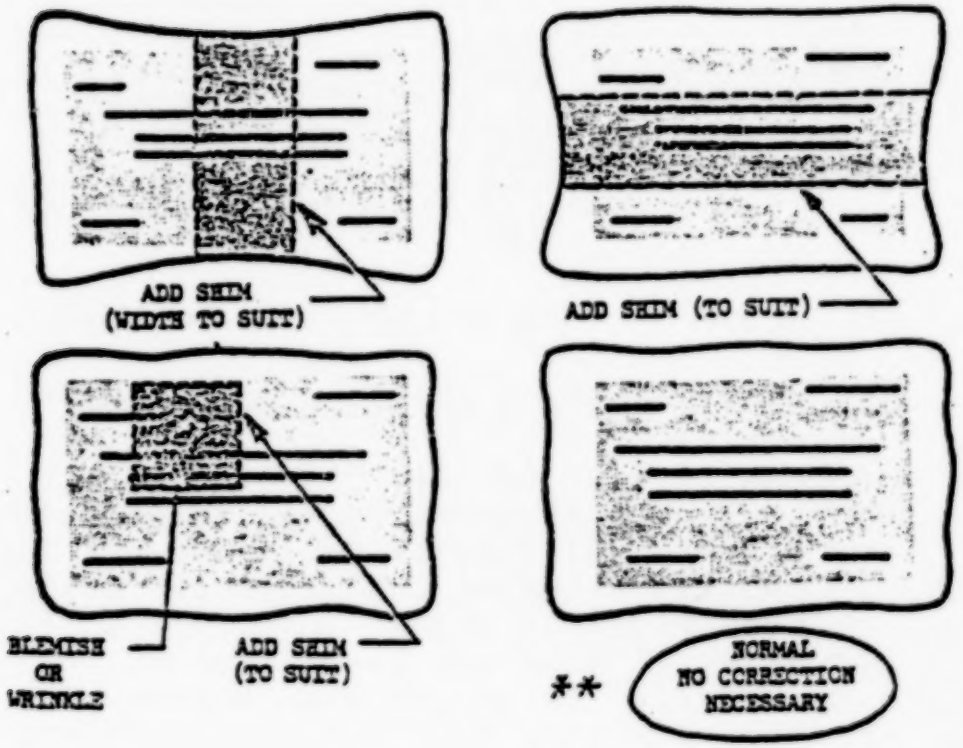
Respectfully submitted,



George E. Kersey
Attorney for Petitioner
Avant Incorporated
c/o Avant Incorporated
Box A, Lincoln, MA 01773
Tel. 617-259-9260

APPENDIX A

Partial Reproduction of Exhibit P-2A-7
Showing Defective and Normal Platen
Press Products according to Mr. Lapham,
AX37, L. 11-15



**Circularization for emphasis added

APPENDIX B

Sept. 1, 1942. L. W. MOULDER 2,294,796

PROTECTING COVER FOR CARDS AND METHOD OF PRODUCING THE SAME

Filed Dec. 31, 1940

Fig. 1.



Fig. 2.

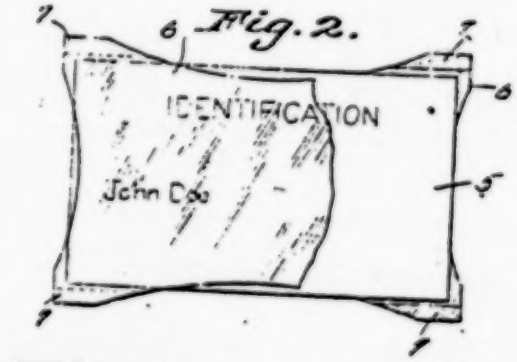


Fig. 3.

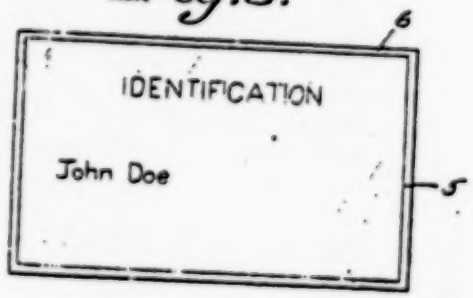


Fig. 4.



L. W. Moulder
INVENTOR.
BY C. A. Snow & Co.
ATTORNEYS.

CERTIFICATE OF SERVICE

I, George E. Kersey, Attorney for Petitioner, certify that three copies of the Reply of Avant Incorporated to the Opposition by Polaroid to Avant's Petition for Certiorari to the U. S. Court of Appeals for the First Circuit were served on the Respondent August 23, 1978, by mailing same first-class, postage prepaid, to Willkie Farr & Gallagher, Attorneys for Respondent, 1 Citicorp Center, 153 East 53 Street, New York, New York 10022.

George E. Kersey